GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2894
ANSWERED ON:02.12.2016
Harassment by IT Department
Mani Shri Jose K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that roadside eatery owners in various cities including Mumbai have made declaration of their unaccounted income and properties after IT raids;
(b) if so, the details thereof; and
(c) the steps taken by the Government to encourage such evaders to declare unaccounted income without subjecting them to any harassment by IT officials?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Investigation into cases of tax evasion is an ongoing process and whenever any such instance comes to the notice of the Income-tax Department (ITD), appropriate action including searches, surveys, assessment of income, levy & recovery of taxes, imposition of penalties etc and filing of prosecution complaints in appropriate cases is taken, depending upon facts and circumstances of each case. During searches conducted by the ITD between 01.04.2016 to 31.10.2016, the persons searched have admitted undisclosed income of about Rs 8357 crore. Centralized database in respect of specific cases is not maintained. Further, disclosure of information in respect of specific assessees is prohibited except as provided under section 138 of the Income-tax Act, 1961.
(c): The Income-tax Act, 1961 obligates every person to report its correct income which is taxable under the Act and provides for penal consequences in case of non-compliance. The Government has taken various measures to encourage voluntary compliance. Such measures included introduction of Income Declaration Scheme through Chapter IX of the Finance Act, 2016 providing opportunity to persons to declare their undisclosed income by paying 45% as tax, surcharge and penalty on the undisclosed income declared. About 64,275 (provisional) declarations disclosing undisclosed income of Rs.65,250 crore (provisional) were made under this scheme.
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